



24 May 1965

IDEA-2639
COPY / OF /

To: Contracting Officer, SP-1926

Subject: Proposal for IRAN and Modification

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Reference: TWX dated 27 March 1965



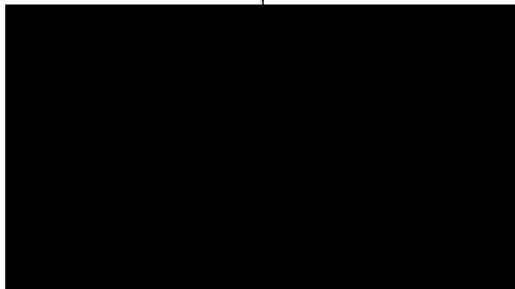
Enclosures: (a) Schedule 1, Conversion of #383 to J75/U-2C
(b) Schedule 2, Summary of Contract Funding by Article

See 29 Sept 65
1 to
PSA 3954.6

Submitted herewith is our target/ceiling proposal (Schedule 1) for IRAN and modification of U-2 Airplane S/N 383 to a J75/U-2C configuration. The major items of work are listed with the estimated hours, and corresponding cost estimates, related to each item. The target and ceiling prices for two (2) additional sets of parts are separately stated. Completion and delivery of S/N 383 is scheduled for 9 August 1965.

In addition, we have enclosed as Schedule 2 a revised summary forecast of contract funding requirements. Our present analysis indicates that we will probably be able to complete the work on S/N 383 and also the increased work on S/N's 384 and 372 within the funds presently available on the contract. Although this likelihood is a good one, we will want to confirm that such is the case within the next 60 days, before a contract amendment is issued.

Comparison of proposed prices and present contract consideration is as follows:

	<u>Target Price</u>	<u>Ceiling Price</u>
Contract Thru Amend. #2		
Anticipated Reductions For Work Thru Amend. #2		
Revised Contract Totals		
Article 383 Incl. Two Sets of Additional Parts		

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* Amount funded thru Amendment #2

Another airplane (S/N 381) is expected to be received in June for conversion under subject contract. We can begin work on this additional item without more money in FY-65 since the termination liability at 30 June 1965 would not exceed contract funding. However, we will need authorization to proceed and FY-66 funding based on a further proposal which will cover the increased scope.

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Approved For Release 2000/08/23 : CIA-RDP67B00820R000300120039-8

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